

AGREEMENT

The United States Attorney's Office for the District of Rhode Island and the U.S. Department of Justice, Criminal Division, Public Integrity Section (collectively, the "Government"), and Blue Cross & Blue Shield of Rhode Island ("BCBSRI" or the "Company"), hereby agree as follows:

The Investigation

1. The Government has been conducting a criminal investigation into matters relating to: a) former State Senator and Corporations Committee Chairman John A. Celona ("Celona"); b) former State Representative and House Majority Leader Gerard M. Martineau ("Martineau") and; c) a former State Senator who served as Senate President ("Former Senate President"), whose identity is known to the parties.

2. As a result of the investigation, Celona has pleaded guilty to an Information charging him with three counts of mail fraud in connection with schemes to deprive the State of Rhode Island and its citizens of their intangible right to his honest services as a public official, in violation of 18 U.S.C. §§ 1341 and 1346 (the "Celona Information"). As it relates to BCBSRI, the Celona Information alleges that, from approximately 2002 to approximately November 2003, while certain BCBSRI executives were lobbying Celona in his official position in the Rhode Island Senate concerning legislation in which BCBSRI had a significant interest, certain members of the Company's executive management, at Celona's request, caused BCBSRI to pay approximately \$75,000.00 to a communications company under a contract to produce a cable access television program. Celona appeared as a host on that program. In turn, the communications company provided approximately \$13,565 of the money paid by

BCBSRI to Celona. The criminal violations to which Celona has pleaded guilty are fully described in the Information, United States of America v. John A. Celona, Cr. No. 05-80T (D.R.I.).

3. As a result of the investigation, Martineau has pleaded guilty to an Information charging him with two counts of mail fraud in connection with schemes to deprive the State of Rhode Island and its citizens of their intangible right to his honest services as a public official, in violation of 18 U.S.C. §§ 1341 and 1346 (the “Martineau Information”). As it relates to BCBSRI, the Martineau Information alleges that, from 1998 to 2003, while certain BCBSRI executives were lobbying Martineau in his official position in the Rhode Island House of Representatives concerning legislation in which the Company had a significant interest, certain members of the Company’s executive management caused BCBSRI to pay a total of \$175,500.00 to a sole proprietorship owned and operated by Martineau under a contract to purchase paper prescription bags. The criminal violations to which Martineau has pleaded guilty are fully described in the Information, United States of America v. Gerard M. Martineau, Cr. No. 07-129ML (D.R.I.).

4. Also as a result of the investigation, the Government has determined that, from 1997 to 2003, while certain BCBSRI executives were lobbying the Former Senate President in his official position in the Rhode Island State Senate concerning legislation in which BCBSRI had a significant interest, certain members of the Company’s executive management caused BCBSRI to pay monthly broker commissions totaling in excess of \$400,000 to the Former Senate President in his capacity as an insurance broker for one of BCBSRI’s pharmacy clients.

Acceptance of Responsibility

5. BCBSRI acknowledges that, from approximately 2002 to approximately November 2003, while certain former BCBSRI executives were lobbying Celona in his official position in the Rhode Island Senate concerning legislation in which BCBSRI had a significant interest, certain former members of the Company's executive management, at Celona's request, caused BCBSRI to pay approximately \$75,000.00 to a communications company under a contract to produce a cable access television program in connection with which Celona appeared as a host. BCBSRI further acknowledges that certain former BCBSRI executives at least knew both that BCBSRI was sponsoring a cable television program at Celona's request and that Celona was being lobbied by BCBSRI. BCBSRI does not dispute the Government's evidence that Celona received approximately \$13,565 from the communications company.

6. BCBSRI also acknowledges that, from 1998 to 2003, while certain former BCBSRI executives were lobbying Martineau in his official position in the Rhode Island House of Representatives concerning legislation in which the Company had a significant interest, certain former members of the Company's executive management caused BCBSRI to pay a total of \$175,500.00 to a sole proprietorship owned and operated by Martineau under a contract to purchase paper prescription bags. BSBSRI further acknowledges that certain former BCBSRI executives at least knew both that BCBSRI was making payments to Martineau's company and that Martineau was being lobbied by BCBSRI.

7. BCBSRI further acknowledges that, from 1997 to 2003, while certain former BCBSRI executives were lobbying the Former Senate President in his official position in the Rhode Island State Senate concerning legislation in which BCBSRI had a significant interest, certain former members of the Company's executive management caused BCBSRI to pay monthly broker commissions totaling in excess of \$400,000 to the Former Senate President in his capacity as an insurance broker for one of BCBSRI's pharmacy clients. BCBSRI further acknowledges that certain former BCBSRI executives at least knew both that BCBSRI was paying broker commissions to the Former Senate President and that the Former Senate President was being lobbied by BCBSRI.

8. BCBSRI accepts responsibility for the conduct of its former executives as set forth in Paragraphs 5-7 of this Agreement. BCBSRI accepts that a corporation can only act through its agents. BCBSRI also recognizes that a corporation can be held criminally liable for the wrongful acts of its agents, even where contrary to corporate policy, if done within the scope of their authority and with the intent, at least in part, to benefit the corporation.

9. BCBSRI acknowledges that the actions of the BCBSRI representatives as described in Paragraphs 5-7 of this Agreement were done within their apparent authority as executives of BCBSRI and were done to benefit, at least in part, BCBSRI.

10. BCBSRI does not endorse, ratify, or condone criminal conduct by its employees and has taken appropriate steps to prevent any such conduct from occurring in the future.

11. In order to resolve this matter expeditiously, BCBSRI acknowledges and accepts full responsibility for the conduct of its agents and employees as set forth above.

Continuing Obligation to Cooperate

12. BCBSRI acknowledges and understands that its cooperation with the criminal investigation is an important and material factor underlying the Government's decision to enter into this Agreement. BCBSRI has been fully cooperating with the Government on this case and in other matters. That cooperation has included a limited, voluntary waiver of the attorney-client privilege. BCBSRI agrees to continue to cooperate fully with the Government, and with any other government agency designated by the Government ("Designated Agencies") regarding any matter being investigated by the Government and its Designated Agencies about which BCBSRI has knowledge or information.

13. BCBSRI agrees that its continuing cooperation with the Government's investigation shall include, but not be limited to, the following:

(a) Completely and truthfully disclosing all information, documents, records, and other tangible evidence in its possession to the Government about which the Government or its Designated Agencies may inquire, including but not limited to all information about activities of BCBSRI, its present and former directors, officers, employees, consultants, agents and attorneys concerning all such matters about which the Government inquires, which information can be used for any purpose except as limited by paragraphs 32 and 33;

(b) Volunteering and providing to the Government, subject to limitations on disclosing confidential health care information under applicable law, including The Health Insurance Portability and Accountability Act of 1996 and state privacy laws, any information, documents, records, and other tangible evidence that come to BCBSRI's attention that may be relevant to any government investigation;

(c) Assembling, organizing, and providing, in a responsive and prompt fashion, and, upon request, in an expedited fashion, all documents, records, information, and other evidence in the possession, custody or control of BCBSRI as may be requested by the Government;

(d) Assisting the Government in any prosecution or investigation arising out of the conduct described herein by providing logistical or technical support for any meeting, interview, grand jury proceeding, or any trial or other court proceeding;

(e) Bringing to the Government's attention any criminal misconduct by, or criminal investigation of, BCBSRI or its managerial employees which comes to the attention of BCBSRI's board of directors or senior management;

(f) Not asserting, in relation to the Government, any claim of privilege (including but not limited to the attorney-client privilege and the work product protection) as to any documents, records, information, or testimony requested by the Government that relates to the factual material generated as a result of BCBSRI's internal investigation, provided that:

(i) BCBSRI may assert the attorney-client privilege, work product protection, or other privileges with respect to privileged communications

between BCBSRI and its defense counsel that post-date the beginning of the criminal investigation of BCBSRI by the Rhode Island Attorney General, the Rhode Island State Police, the Government, and the Federal Bureau of Investigation; and

(ii) By producing privileged materials, BCBSRI does not intend to waive the protection of the attorney-client privilege, work product protection, or any other applicable privilege as to third parties.

(g) By using its reasonable best efforts to make available its present and former board members, officers, employees, consultants, agents and attorneys to provide information and/or testimony as requested by the Government, including sworn testimony before the grand jury or in court proceedings, as well as interviews with law enforcement authorities, and to identify witnesses who, to BCBSRI's knowledge and information, may have material information concerning any government investigation, including but not limited to the conduct described herein or as set forth in the Celona and Martineau Informations;

(h) Providing testimony or information necessary to identify or establish the original location, authenticity, or other basis for admission into evidence of documents or physical evidence in any criminal or other proceeding as requested by the Government concerning any investigation by the Government or its Designated Agencies, including but limited to the conduct described herein or as set forth in the Celona and Martineau Informations;

(i) With respect to any information, testimony, documents, records or physical evidence provided by BCBSRI to the Government or a grand jury, BCBSRI consents to any and all disclosures of such materials to such Designated Agencies as

the Government, in its sole discretion, deems appropriate. With respect to any such matters that constitute "matters occurring before the grand jury" within the meaning of Rule 6(e) of the Federal Rules of Criminal Procedure, BCBSRI further consents to: (a) any order sought by the Government permitting such disclosures; and (b) ex parte or in camera application for such orders.

14. The obligation to cooperate is not intended to apply in the event that a prosecution of BCBSRI is initiated related to this investigation.

15. Nothing in this Agreement shall be construed to restrict in any way the ability of the Government or its Designated Agencies to investigate and prosecute any current or former BCBSRI director, officer, employee, consultant, agent or attorney.

16. BCBSRI's obligations under paragraph 13 above shall continue until the later of (a) a period of three years from the date of the signing of this Agreement or (b) the date upon which all prosecutions relating to or arising out of the conduct described in the Celona and Martineau Informations and the conduct described herein are final, including any and all appeals.

Monetary Payment

17. BCBSRI agrees to pay \$20 million to the Government. The funds used to make these payments shall be drawn from BCBSRI's reserves, with the understanding that, in future rate filings, no rate increase will be sought for the specific purpose of recouping the \$20 million payment. The funds paid to the Government will be directed to a fund (the "Trust Fund") to be established and administered by the Rhode Island Foundation for the purpose of supporting projects which are designed and intended to have the greatest impact on the provision of quality and affordable health care services in

Rhode Island. The Trustee(s) shall be directed to preserve the corpus of the Trust Fund and use the interest and earnings to fund the above-mentioned projects. Decisions regarding which projects to fund and in what amounts shall be in the sole and absolute discretion of the Rhode Island Foundation; provided, however, that The Rhode Island Foundation shall have the right to request input from any source, including BCBSRI or The United States Attorney regarding the proposals being considered for funding.

Enhanced Ethics and Compliance Program

18. BCBSRI represents that it has implemented a comprehensive compliance and ethics program designed to detect and prevent violations of federal and state law or regulation and to ensure compliance with internal BCBSRI policies and procedures. Specifically, BCBSRI has adopted a compliance and governance structure that includes: (i) compliance oversight by the Board of Directors, a Corporate Compliance and Ethics Committee and a Corporate Management Compliance Committee; (ii) a full-time Corporate Compliance Officer and Corporate Compliance and Ethics Department; (iii) organization-wide Codes of Conduct governing the conduct of directors, officers and employees; (iv) training programs to educate all BCBSRI personnel, including officers and directors, about the Corporate Compliance Program and potential risk areas involving specific laws and regulations; (v) periodic audits and reviews to monitor compliance with applicable federal and state laws and regulations and internal BCBSRI policies; (vi) a process for reporting suspected illegal, inappropriate or unethical conduct or for seeking answers to compliance-related questions, including a Compliance Hotline; (vii) an investigation process for assessing the validity and severity of any potential violations; (viii) a system for documentation and tracking of all complaints and compliance-related

inquiries, with quarterly reporting to the Corporate Management Compliance Committee; (ix) a system to ensure that appropriate disciplinary action is taken against any individual who violates internal policies or applicable laws or regulations and that a corrective action plan is developed in response to compliance issues, as warranted, to prevent recurrence of detected problems; (x) a strict, non-retaliation policy for employees who report a suspected compliance violation in good faith; and (xi) an organization-wide Cultural Change Program to reinforce an ethical environment in the workplace at BCBSRI.

19. BCBSRI also has enhanced its pre-existing compliance program and undertaken reforms and remedial actions in response to the conduct that has been the subject of the Government's investigation. Specifically:

(a) BCBSRI has enhanced its compliance and ethics program by, *inter alia*, adopting policies and procedures specifically addressed to BCBSRI's relationships with elected state officials and government employees, including a policy providing that BCBSRI will not knowingly enter into a business relationship with an elected official or current or former government employee unless such person is situated similarly to other business persons or has submitted a written opinion from the Rhode Island Ethics Commission stating that the proposed relationship does not create a conflict of interest and only then with approval from the Audit Committee of the BCBSRI Board of Directors, and further providing that, in no event will any elected official or government employee with whom BCBSRI has a business relationship be the subject of lobbying by BCBSRI. The BCBSRI policy further provides that any

such approved business relationship shall be disclosed annually to the Rhode Island Ethics Commission.

(b) BCBSRI has taken numerous additional remedial actions in response to the conduct that has been the subject of the Government's investigation, including but not limited to, replacing members of the prior executive management team and appointing new management. Through these remedial actions taken by the current Board of Directors and present management, BCBSRI is operating under new leadership, has implemented substantial change throughout its operations, and has demonstrated its commitment to compliance.

20. BCBSRI has agreed to enforce its existing compliance policies and procedures and shall strengthen its ethics and compliance program as needed in order to satisfy, in all respects, the requirements of Section 8B2.1 of the U.S. Sentencing Guidelines.

Monitoring

21. BCBSRI agrees to oversight and monitoring of its adherence to the terms of this Agreement and with its ethics and compliance program by a monitor chosen and hired by BCBSRI, with the prior approval of the Government (the "Monitor"). The Monitor's powers, rights, and responsibilities shall be as set forth below.

22. All provisions of this Agreement regarding the Monitor's jurisdiction, powers, oversight authority and duties shall be broadly construed so that the Monitor can fully implement and review the necessary actions and programs required under this Agreement. BCBSRI will work with the Monitor in good faith to implement any recommendations made by the Monitor. In particular, the Monitor shall:

(a) review and evaluate BCBSRI's compliance with this Agreement and recommend such measures as the Monitor believes are necessary to comply with this Agreement and Section 8B2.1 of the U.S. Sentencing Guidelines;

(b) review and evaluate BCBSRI's maintenance and implementation of its enhanced compliance and ethics program and recommend such measures as are necessary to ensure that the program complies with this Agreement and is effective within the meaning of Section 8B2.1 of the U.S. Sentencing Guidelines. BCBSRI shall have 30 days in which to review and object to any Monitor's recommendation made under this provision. The Monitor shall thereafter consider and resolve any objections of BCBSRI. The Monitor's determination thereof shall be final and binding upon BCBSRI and the Company shall take any and all steps necessary to implement such determinations.

23. The Monitor shall have the authority to take such reasonable steps, as he or she deems necessary, to be fully informed about those operations of BCBSRI within or relating to his or her jurisdiction. To that end, the Monitor shall have:

(a) access to, and the right to make copies of, any and all books, records, accounts, correspondence, files and any and all other documents or electronic records, including e-mails, of BCBSRI and its directors, officers, employees, consultants, and agents, within or relating to the Monitor's jurisdiction.

(b) the right to interview any director, officer, employee, agent, or consultant of BCBSRI and to participate in any meeting concerning any matter within or relating to the Monitor's jurisdiction.

(c) the right to communicate with all BCBSRI employees.

24. The Monitor shall take appropriate steps to maintain the confidentiality of any non-public information entrusted to him or her and shall share such non-public information only with the Government and its Designated Agencies.

25. The Monitor shall have the authority to take any other actions that are necessary to effectuate the Monitor's responsibilities.

26. The Monitor's authority set forth herein shall extend for a period of two years from the Monitor's entry on duty, except that in the event the Government determines during the period of the monitoring that BCBSRI has materially violated any provision of this Agreement, a six-month extension of the period may be imposed in the sole discretion of the Government, and, in the event of additional material violations, an additional six month extension may be imposed, but in no event shall the total term exceed three years.

27. The Monitor shall keep records of his or her activities, including copies of all correspondence and telephone logs, as well as records relating to action taken in response to correspondence or telephone calls. If potentially illegal or unethical conduct comes to the Monitor's attention, the Monitor may, at his or her option, conduct an investigation, and/or refer the matter to the Government. The Monitor may report to the Government whenever the Monitor deems fit but, in any event, shall file a written report with the Government and the Company not less than every four months regarding: (i) the Monitor's activities; (ii) whether BCBSRI is complying with the terms of this Agreement; and (iii) any changes that are necessary to foster BCBSRI's compliance with any applicable laws and standards. The USAO-RI may, in its sole discretion, provide all or part of any such periodic written report or other information to any other Designated

Agency. The Monitor may redact any report to be provided to BCBSRI so as to protect the confidentiality or privacy of the Monitor's activities or sources as the Monitor may determine is necessary. Should the Monitor determine that BCBSRI has materially violated any law, has materially violated any provision of this Agreement, or has engaged in any conduct that could warrant the modification of his or her jurisdiction, the Monitor shall promptly notify the Government.

28. BCBSRI, its directors, officers, employees, agents, consultants, and attorneys shall have the affirmative duty to cooperate with and assist the Monitor in the execution of his or her duties and shall inform the Monitor of any information that may relate to the Monitor's duties or which could lead to information that relates to his or her duties. Willful failure of any BCBSRI director, officer, employee, consultant or agent to cooperate with the Monitor shall be a breach of this Agreement which may, in the sole discretion of the Monitor, serve as a basis for the Monitor to recommend to the Board of Directors of BCBSRI dismissal or other disciplinary action against the individual wrongdoer and which may, in the sole discretion of the Government, result in the imposition of any of the remedies provided in this Agreement.

29. BCBSRI shall provide the Monitor with such clerical assistance, logistical support and staff as is necessary to perform the Monitor's functions. The compensation and expenses of the Monitor, and of the persons hired under his or her authority, shall be paid by BCBSRI. The Monitor, and any persons hired by the Monitor, shall be compensated in accordance with their respective typical hourly rates but not more than \$250 dollars per hour. BCBSRI shall pay bills for compensation and expenses promptly, and, in any event, within 30 days of billing. In addition, within one week after the

selection of the Monitor, BCBSRI shall provide the Monitor and his or her staff with private office space, telephone and e-mail service and clerical assistance sufficient for the Monitor to carry out his or her duties.

30. BCBSRI shall provide an appropriate indemnification agreement to the Monitor with respect to any claims arising out of the performance of the Monitor's duties.

31. The Monitor is not, and shall not be treated for any purpose as, an officer, employee or agent of BCBSRI.

Non-Prosecution

32. In consideration of BCBSRI's entering into this Agreement and its commitments to: (a) accept corporate responsibility for the conduct of its officers, employees and agents; (b) cooperate with the Government; (c) make a payment in the amount of \$20 million to the Trust Fund; (d) enforce and enhance as necessary its ethics and compliance programs; (e) comply with all state and federal laws; (f) submit to the authority of an independent monitor; and (g) otherwise comply with the terms of this Agreement, the Government will not criminally prosecute BCBSRI for any crimes (except for criminal tax violations, if any, which fall under the jurisdiction of the Tax Division) related to the conduct described herein or specified in the Celona and Martineau Informations.

33. Moreover, if BCBSRI fully complies with this Agreement, no information provided by or on behalf of BCBSRI or any testimony given by any then-current employees at the request of the Government (or any other information directly or indirectly derived therefrom) will be used against BCBSRI in any criminal tax

prosecution. This Agreement does not provide any protection against prosecution for any crimes except those set forth above, and applies only to BCBSRI and not to any other entities or individuals. BCBSRI expressly understands that the protections provided to the Company by this Agreement shall not apply to any successor entities, whether the successor's interest arises through a merger or plan of reorganization, unless and until such successor formally adopts and executes this Agreement. The protections arising from this Agreement will not apply to any purchasers of all or substantially all of the assets of BCBSRI, unless such purchaser enters into a written agreement, on terms acceptable to the Government, agreeing in substance to undertake all of the obligations set forth in the Continuing Obligation To Cooperate paragraphs above.

Additional Obligations

34. It is further understood that should the Government in its sole discretion determine that BCBSRI has, after the date of the execution of this Agreement: (a) given materially false, incomplete, or misleading testimony or information; (b) committed any crime; or (c) otherwise materially violated any provision of this Agreement, BCBSRI shall, in the sole discretion of the Government, be subject to prosecution for any federal criminal violation of which the Government has knowledge, including but not limited to a prosecution based upon the conduct specified herein and in the Martineau and Celona Informations, perjury, or obstruction of justice. Any such prosecutions that are not time-barred by the applicable statute of limitations on the date of the execution of this Agreement may be commenced against BCBSRI. In addition, BCBSRI agrees to toll, and to exclude from any calculation of time, the running of the criminal statute of limitations for a period of two years from the date of the execution of this Agreement and

during any extension of this Agreement up to three years. By this Agreement, BCBSRI expressly intends to and hereby does waive its rights in the foregoing respects, including any right to make a claim premised upon the statute of limitations, as well as any constitutional, statutory, or other claim concerning pre-indictment delay. Such waivers are knowing, voluntary, and in express reliance upon the advice of BCBSRI counsel.

35. It is further understood that in the event that the Government, in its sole discretion, determines that BCBSRI has committed any crime after signing this Agreement, has given materially false, incomplete, or misleading testimony or information, or has otherwise violated any provision of this agreement: (a) all statements made by BCBSRI to the Government, other Designated Agents, or any Rhode Island state law enforcement authority, and any testimony given by any then current officer, agent or employee of BCBSRI before a grand jury or other tribunal whether prior or subsequent to the signing of this Agreement, and any leads from such statements or testimony, shall be admissible in evidence in any criminal proceeding hereinafter brought against BCBSRI; and (b) BCBSRI shall assert no claim under the United States Constitution, any statute, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that such statements or any leads therefrom should be suppressed or otherwise excluded from evidence. It is the intent of this Agreement to waive all rights in the foregoing respects.

36. BCBSRI agrees that, in the event the Government determines during the period of this Agreement (or any extensions thereof) that BCBSRI has materially violated any provision of this Agreement, a six month extension of the Agreement may be imposed in the sole discretion of the Government, and, in the event of additional

violations, such additional six month extensions as appropriate, but in no event shall the total term of the Agreement exceed three years. Alternatively, the Government may, in its sole discretion, and if warranted by the level of cooperation provided by BCBSRI and its compliance with the terms of this Agreement, shorten the term of the Agreement.

Public Statements

37. BCBSRI agrees that it shall not, through its attorneys, agents, officers, directors or employees, make any statement, in litigation or otherwise, contradicting its representations in this Agreement. Consistent with this provision, BCBSRI may raise defenses and/or assert affirmative claims in any civil proceedings brought by private parties as long as doing so does not contradict the representations made by BCBSRI in this Agreement. Any such contradictory statement by BCBSRI, its present or future attorneys, agents, officers, directors or employees shall constitute a material breach of this Agreement and BCBSRI shall thereafter be subject to prosecution or, alternatively, the Government may extend the term of the agreement, as described above. The decision as to whether any such contradictory statement will be imputed to BCBSRI for the purpose of determining whether BCBSRI has breached this Agreement shall be at the sole discretion of the Government. If the Government notifies BCBSRI of any such contradictory statement, BCBSRI may avoid a finding of breach of this Agreement by repudiating such statement, in a manner satisfactory to the Government, both to the recipients of such statement and to the Government within 48 hours after receipt of notice from the Government. BCBSRI consents to the public release by the Government of any such repudiation.

The Government's Discretion

38. BCBSRI agrees that it is within the sole discretion of the Government to choose, in the event of a material violation, any of the remedies contained in this Agreement, including prosecution or extensions of the Agreement and/or monitoring. BCBSRI understands and agrees that the exercise of discretion by the Government under this Agreement is not reviewable by any court. Without limiting the scope of the Government's discretion, should the Government determine that BCBSRI has materially violated this Agreement, the Government shall provide written notice to BCBSRI of that determination and provide BCBSRI with a reasonable opportunity to demonstrate to the Government that no violation occurred, or, to the extent applicable, that the breach has been cured or the violation should not result in a prosecution of BCBSRI or the exercise of any other remedies provided in this Agreement.

Limits of the Agreement

39. It is understood that this Agreement does not bind any federal, state or local prosecuting authority other than the United States Attorney's Office for the District of Rhode Island and the U.S. Department of Justice, Criminal Division, Public Integrity Section. However, if requested by BCBSRI or its attorneys, the Government will bring to the attention of any such agencies the existence of this Agreement, the nature and extent of the cooperation of BCBSRI, and the status of its compliance with its obligations under this Agreement.

40. It is further understood that this Agreement does not bind the Department of Health and Human Services ("HHS") or the Office of Personnel Management ("OPM") in the administration of federal programs. Nevertheless, the Government will

recommend to any official vested with exclusion or debarment authority within HHS or OPM, or any official vested with the authority to exclude or debar BCBSRI from participation in any state or federal programs, that exclusion, suspension or debarment of BCBSRI is not warranted based on BCBSRI's conduct in this case, because BCBSRI has agreed to the terms of this Agreement, in which, among other things, BCBSRI has accepted responsibility for the conduct of its employees as set forth herein, and has agreed to take steps to ensure that BCBSRI, its leadership, officers, directors, employees, and consultants will adhere to the highest standards of ethics and compliance with the laws of the United States. However, BCBSRI understands that neither HHS nor OPM are signatories to this Agreement and that any intermediate or final administrative determination will be made by HHS, OPM, or any other agency with regulatory jurisdiction over BCBSRI.

Public Filing

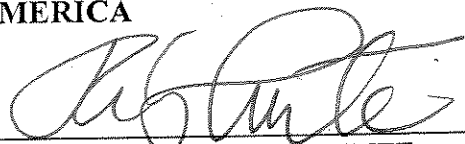
41. BCBSRI and the Government agree that this Agreement will be disclosed to the public.

Integration Clause

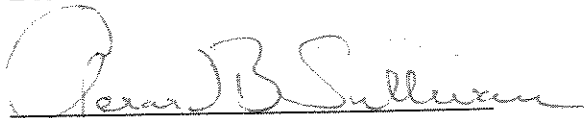
42. This Agreement sets forth all the terms of the Agreement between BCBSRI and the Government. This Agreement supersedes all prior, if any, understandings, promises and/or conditions between BCBSRI and the Government. No modifications or additions to this Agreement shall be valid unless they are in writing and signed by all of the parties.

UNITED STATES OF AMERICA

By:

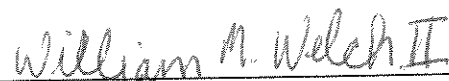


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